

PUBLIC EMPLOYEES' RETIREMENT SYSTEM
PERFORMANCE REPORT FOR JUNE 2002

8/15/2002

	Assets as of June 30, 2002			*RATES OF TOTAL RETURN					
	EMV \$(000)	Actual Alloc	Policy Alloc	Quarter Ended				2002 FYTD	YR Ended 6/30/2001
				Jun-02	Mar-02	Dec-01	Sep-01		
LARGE CAP EQUITY									
Structured Growth									
Alliance Capital Management	21,715	2.0%	2.3%	-17.61%	-5.89%	15.49%	-20.69%	-28.98%	-28.08%
RUSSELL 1000 GROWTH				-18.67%	-2.59%	15.14%	-19.41%	-26.49%	-36.18%
Structured Value									
LSV	24,947	2.3%	2.3%	-5.22%	9.28%	8.73%	-8.79%	2.72%	28.93%
RUSSELL 1000 VALUE				-8.52%	4.09%	7.37%	-10.95%	-8.96%	3.84%
Enhanced S&P Index (1)									
Northern Trust Global Investments	44,089	4.1%	4.5%	-12.73%	0.48%	10.54%	-14.35%	-16.98%	N/A
Strong Capital	44,570	4.1%	4.5%	-15.71%	0.82%	11.72%	-15.98%	-20.23%	N/A
Westridge Capital	48,119	4.5%	4.5%	-13.34%	0.47%	10.90%	-14.60%	-17.54%	N/A
Total Enhanced S&P Index	136,778	12.7%	13.5%	-13.92%	0.59%	11.05%	-14.96%	-18.23%	N/A
S&P 500				-13.40%	0.28%	10.69%	-14.68%	-17.98%	N/A
Enhanced Russell 1000 Index (1)									
Los Angeles Capital (Wilshire)	45,234	4.2%	4.5%	-12.70%	1.45%	10.79%	-15.41%	-17.00%	N/A
RUSSELL 1000				-13.46%	0.74%	11.11%	-15.23%	-17.89%	N/A
S&P 500 Index									
State Street - S&P 500 Index	76,741	7.1%	7.5%	-13.37%	0.28%	10.69%	-14.68%	-17.96%	-14.75%
S&P 500				-13.40%	0.28%	10.69%	-14.68%	-17.98%	-14.83%
TOTAL LARGE CAP EQUITY	305,416	28.3%	30.0%	-13.14%	0.86%	11.03%	-14.80%	-17.13%	-11.52%
S&P 500				-13.40%	0.28%	10.69%	-14.68%	-17.98%	-14.83%
SMALL CAP EQUITY (2)									
SEI	87,677	8.1%	8.0%	-10.27%	2.37%	20.00%	-20.04%	-11.87%	N/A
RUSSELL 2000 + 200 bp				-7.85%	4.48%	21.59%	-20.29%	-6.68%	N/A
TOTAL SMALL CAP EQUITY	87,677	8.1%	8.0%	-10.27%	2.37%	20.00%	-20.02%	-11.84%	1.69%
RUSSELL 2000				-8.35%	3.98%	21.09%	-20.79%	-8.59%	0.57%
INTERNATIONAL EQUITY									
Int'l Large Cap - Core									
State Street	16,395	1.5%	1.6%	-4.95%	1.49%	7.71%	-15.06%	-11.74%	-17.93%
MSCI 50% HEDGED EAFE INDEX				-7.12%	1.26%	8.60%	-16.41%	-14.62%	-17.95%
Int'l Large Cap - Active									
Capital Guardian	43,606	4.0%	4.0%	-7.53%	0.92%	12.46%	-17.26%	-13.17%	-20.14%
Bank of Ireland	9,444	0.9%	0.8%	-1.16%	N/A	N/A	N/A	N/A	N/A
Total Int'l Large Cap - Active	53,050	4.9%	4.8%	-6.43%	0.86%	12.46%	-17.26%	-12.19%	-20.14%
MSCI 50% HEDGED EAFE INDEX				-7.12%	1.26%	8.60%	-16.41%	-14.62%	-17.95%
Int'l Small Cap - Active									
Lazard	10,047	0.9%	0.8%	6.73%	N/A	N/A	N/A	N/A	N/A
Wellington	9,644	0.9%	0.8%	6.85%	N/A	N/A	N/A	N/A	N/A
Total Int'l Small Cap - Active	19,691	1.8%	1.6%	6.79%	N/A	N/A	N/A	N/A	N/A
SSB Broad Market Index <\$2bn				3.90%	N/A	N/A	N/A	N/A	N/A
TOTAL INTERNATIONAL EQUITY	89,137	8.2%	8.0%	-3.61%	0.62%	10.06%	-16.14%	-10.49%	-18.81%
MSCI 50% HEDGED EAFE INDEX				-7.12%	1.26%	8.60%	-16.41%	-14.62%	-17.95%
EMERGING MARKETS									
Value - Active - Commingled									
Capital Guardian	52,832	4.9%	5.0%	-12.54%	10.64%	29.87%	-24.96%	-5.69%	-29.31%
MSCI EMERGING MKTS FREE INDEX				-8.39%	11.41%	26.60%	-21.60%	1.30%	-25.93%
DOMESTIC FIXED INCOME									
Core Bond									
Western Asset	57,900	5.4%	4.4%	3.65%	0.42%	-0.15%	4.75%	8.87%	13.40%
LB AGGREGATE				3.69%	0.09%	0.05%	4.61%	8.62%	11.22%
Active Duration									
Criterion	56,971	5.3%	4.4%	2.99%	0.42%	-0.76%	3.28%	6.00%	12.34%
LB AGGREGATE				3.69%	0.09%	0.05%	4.61%	8.62%	11.22%
Index									
Bank of North Dakota	61,104	5.7%		4.60%	-0.17%	-0.09%	5.01%	9.56%	11.04%
BND (Match Loan Program)	17,130	1.6%		1.42%	1.37%	1.45%	1.43%	5.79%	5.89%
Total Bank of North Dakota	78,235	7.2%	7.0%	3.76%	1.21%	0.24%	4.19%	9.68%	9.79%
LB GOV/CORP				3.75%	-0.47%	0.06%	4.76%	8.24%	11.13%

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Core										
Strong Capital	55,359	5.1%	4.4%	-0.44%	-0.85%	0.45%	4.04%	3.16%	13.45%	
LB BAA BOND INDEX EX YANKEE BONDS				2.06%	-0.23%	0.35%	3.59%	5.85%	6.00%	
Convertibles										
TCW	49,274	4.6%	4.4%	-15.27%	-1.90%	12.91%	-16.04%	-21.20%	-13.58%	
1ST BOSTON CONVERTIBLE INDEX				-8.47%	-0.16%	7.67%	-11.01%	-12.44%	-11.87%	
Timberland										
Evergreen (Wachovia)	35,591	3.3%	3.3%	18.77%	0.00%	0.15%	N/A	N/A	N/A	
CPI + 8				2.52%	N/A	N/A	N/A	N/A	N/A	
TOTAL DOM FIXED INCOME	333,330	30.8%	28.0%	0.31%	-0.27%	2.09%	0.42%	2.56%	6.87%	
LB AGGREGATE				3.69%	0.09%	0.05%	4.61%	8.62%	11.22%	
HIGH YIELD BONDS										
Western Asset	55,939	5.2%	5.0%	-7.58%	0.53%	5.75%	-4.41%	-6.08%	-4.46%	
LB HIGH YIELD BOND INDEX				-6.41%	1.68%	5.78%	-4.23%	-3.60%	-0.96%	
INTERNATIONAL FIXED INCOME										
Intl Core										
UBS Global (Brinson)	61,053	5.6%	5.0%	14.11%	-1.52%	-3.56%	7.80%	16.83%	-7.58%	
SALOMON NON-US GOV'T BOND				13.97%	-1.87%	-3.97%	7.75%	15.72%	-7.43%	
REAL ESTATE (3)										
Heitman (JMB)	1,042	0.1%		2.15%	14.91%	-15.82%	2.13%	0.92%	1.92%	
Westmark (TCW)	0	0.0%		N/A	N/A	-10.72%	-4.64%	N/A	25.25%	
INVESCO	26,361	2.4%		-2.54%	0.59%	3.23%	1.39%	2.61%	13.52%	
J.P. Morgan	28,468	2.6%		0.69%	0.65%	1.23%	1.47%	4.10%	10.27%	
TOTAL REAL ESTATE	55,871	5.2%	5.0%	-1.05%	0.80%	2.25%	1.34%	3.35%	11.92%	
NCREIF PROPERTY INDEX				1.62%	1.67%	1.58%	1.75%	6.79%	11.15%	
PRIVATE EQUITY (3)										
Brinson IVCF II	298	0.0%		-1.04%	-1.94%	-11.17%	-18.72%	-28.90%	-32.28%	
Coral Partners II	345	0.0%		-18.12%	13.68%	-31.45%	-27.90%	-53.48%	-49.84%	
Coral Partners V	11,664	1.1%		-0.62%	-9.51%	-11.30%	-34.09%	-46.32%	19.29%	
Coral Partners Supplemental V	783	0.1%		-1.12%	-2.91%	-0.92%	N/A	N/A	N/A	
Brinson 1998 Partnership Fund	2,047	0.2%		0.44%	-1.56%	-11.87%	-3.49%	-15.23%	-3.63%	
Brinson 1999 Partnership Fund	2,330	0.2%		-6.14%	-5.24%	-11.39%	-1.32%	-21.70%	-4.36%	
Brinson 2000 Partnership Fund	3,123	0.3%		-5.76%	-5.40%	-4.11%	-0.50%	-14.95%	2.74%	
Brinson 2001 Partnership Fund	689	0.1%		-3.88%	-0.58%	-1.75%	-0.12%	-6.22%	N/A	
Brinson 2002 Partnership Fund	135	0.0%		0.35%	N/A	N/A	N/A	N/A	N/A	
Brinson 1999 Non-US Partnership Fund	874	0.1%		-2.25%	-3.46%	-0.95%	-1.98%	-7.68%	2.24%	
Brinson 2000 Non-US Partnership Fund	776	0.1%		-1.18%	-5.99%	2.67%	-1.98%	-6.51%	-7.03%	
Brinson 2001 Non-US Partnership Fund	414	0.0%		-4.18%	0.66%	0.66%	0.66%	-4.85%	N/A	
Brinson 2002 Non-US Partnership Fund	111	0.0%		N/A	N/A	N/A	N/A	N/A	N/A	
Brinson BVCF IV	5,416	0.5%		-9.27%	-9.99%	-3.90%	-11.21%	-29.16%	-11.46%	
InvestAmerica Lewis & Clark Fund	67	0.0%		0.00%	N/A	N/A	N/A	N/A	N/A	
Hearthstone	2,677	0.2%		-6.51%	4.07%	3.57%	2.94%	4.99%	8.17%	
TOTAL PRIVATE EQUITY	31,749	2.9%	5.0%	-3.93%	-5.71%	-6.90%	-15.83%	-29.02%	3.87%	
POST VENTURE CAPITAL INDEX				-25.35%	-10.82%	29.99%	-35.63%	-44.30%	-48.23%	
CASH EQUIVALENTS										
TNT Short Term Extendable Portfolio	7,719	0.7%	1.0%	0.53%	0.48%	0.49%	0.77%	2.29%	5.91%	
90 DAY T-BILLS				0.46%	0.43%	0.64%	1.08%	2.63%	5.90%	
TOTAL FUND	1,080,723	100.0%	100.0%	-5.76%	0.81%	7.29%	-8.59%	-6.83%	-3.95%	
POLICY TARGET BENCHMARK				-5.45%	0.64%	8.60%	-8.68%	-5.63%	-6.47%	
TOTAL VALUE ADDED DUE TO										
Asset Mix				0.64%	0.29%	-0.81%	1.15%	1.26%	2.01%	
Active Management				-0.97%	-0.12%	-0.40%	-1.04%	-2.50%	0.67%	
Total Value Added				-0.33%	0.17%	-1.21%	0.11%	-1.24%	2.68%	

(1) Funded between July 25 and August 1, 2000.

(2) Brinson and Nicholas-Applegate were terminated and SEI hired May 18, 2001 with a transition of assets occurring during the month of June.

(3) Monthly returns estimated based on quarters' returns.

NOTE: Due to a discovery of a more accurate method for calculating the gross vs net of fee returns for the private equity funds, adjustments were made to the quarterly returns for FY 2001 and 2002 and total fund returns have been restated.

Monthly returns and market values are preliminary and subject to change.
Returns are net of investment management fees.